

# Corporate payments on the New Payments Platform (NPP)

The NPP is fast payments infrastructure designed to enable real-time, data-rich payments between bank accounts, 24/7/365.



Money moves in real-time



Always available with no cut off times



Extensive data capabilities using ISO 20022



Use PayID for simple addressing



## The NPP offers more than just speed for corporate payments

### 24/7/365 payment availability

Make payments any time with immediate benefits for your customers and better working capital management.

### Payment certainty

Upfront validation ensures account details are accurate before funds are released and settled.

### Outward payment data

Reduce the need to implement multiple disparate processes via your ERP and/or bank to deliver the complete dataset to accompany your payments.

### Timely payment confirmation and reporting

Real-time settlement with immediate payment confirmation and status reporting.

### Payment identification

Payee identification supported by PayID and the ability to carry key reference data from the payer provides greater payment accuracy.

### Know what you've been paid for

Enriched ISO messaging enables you to perform payment reconciliation more efficiently, minimising manual handling and exception processing.

Outcomes

More efficient working capital management

Information in real-time

Better customer experience

Reduced manual handling and exceptions



## Moving payment processing to the NPP

Corporates can access the benefits of the NPP with minimal impact on systems and processes. NPP participating banks can support corporate customers with this change management process.

Customer : Bank

Bank to Bank

Bank : Customer

Corporate



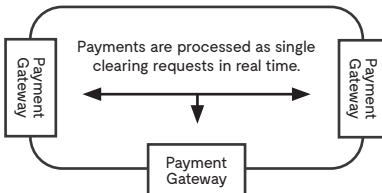
Payments can be submitted in the same format via channels being used today or could be submitted via new channels such as APIs or ISO20022 formatted message.

NPP participating organisation



Prepares payments for processing which may entail debulking a file into single NPP clearing requests.

NPP Platform



NPP Participant



Processes NPP clearing requests and posts funds to payee's account.

Payee



Payment events can be reported in a range of formats:

- Bank statement
- Transaction report
- ISO20022 formatted camt message
- API

## APIs

Using APIs for NPP payments enables corporates to realise the full benefits of the NPP, including real-time reporting and reconciliation.



## Change management considerations

- Payment instructions may need amending for NPP payment types and transaction codes
- Corporates need to consider how to action intraday payments
- Modifications may be required to internal systems and reporting processes to ingest additional data
- Technical integration and systems impact, such as APIs or ERP uplift, need to be assessed



## Frequently asked questions

### 1. What is the value of the NPP for corporate payments?

The NPP's fast payments infrastructure is designed to enable real-time, data-rich payments between bank accounts, 24/7/365. Using the NPP for corporate payments will enable a better experience for your customers as well as providing the benefits of real-time data, better management of working capital and operational improvements including reduced manual handling and exceptions.

### 2. How can we achieve real-time payment processing through NPP when our ERP and other internal systems and processes rely on batches?

NPP participating financial institutions are considering options for the transition from legacy batched payments and associated file formats to the NPP. This includes the translation of existing file formats, the debulking of transactions from a batch file, the addition of NPP to existing outsourced payment solutions and the use of APIs. Talk to your financial institution for more information on how to best adapt your payment processes to take advantage of the NPP.

### 3. Our business has an established outsourced payment solution that offers a range of payment options and delivers remittance information. Why transition to the NPP with these established solutions already in place?

Legacy payment channels do not typically cater for full remittance data, hence outsourced payment solutions have been developed over time to address this gap. The NPP allows real-time 24/7 irrevocable payments and allows standardised data to travel with the payment. This negates the need for multiple outsourced payment solutions and ensures that remittance data will be delivered for matching and reconciliation at the same time payment is completed.

### 4. How will we manage the additional data upon receipt of an NPP payment?

Many NPP participating financial institutions offer corporate customers a range of reporting and statement options that cater for inward NPP payments. These include new reporting formats based on the ISO 2022 message and APIs that enable corporate customers to ingest new NPP payment types, transaction codes and ISO data fields. As an interim measure, corporate customers may choose to retain existing payment status reporting and bank statements (which may involve the truncation of data) to minimise disruption to matching and reconciliation processes before moving to alternative reporting formats over time.

### 5. There is an established user hierarchy and approval model in place with our bank that may be difficult to adapt to making outbound real-time payments. How can our business ensure that we maintain the same level of governance over payment processing when transitioning to the NPP?

The NPP provides a fantastic opportunity for corporate customers to review user hierarchy and approval models. By identifying ways to simplify, streamline and automate manual approval processes, fraud and error in the end-to-end payment process can be reduced. Additionally, a transition to the NPP could leverage direct connectivity and APIs (if not already in place) as the NPP supports transaction level payment initiation and reporting in real-time, thereby removing the need for an additional payment initiation and approval step within banking channels entirely.

### 6. Once the NPP's PayTo service is available, can we transition existing Direct Debit Agreements over to PayTo and what is the benefit of doing so?

Migrating existing Direct Debit Agreements over to the NPP's PayTo service, once it is available, is likely to be an option offered to corporate customers by several NPP participating financial institutions. PayTo will solve several of the current challenges with direct debit including centralised, digital storage of PayTo agreements, notification when an agreement is paused, changed or cancelled, and real-time account validation and funds availability check. See [payto.com.au](https://payto.com.au) for more information or talk to your NPP participating financial institution.

### 7. How do we determine the most appropriate migration approach to meet our business payment processing needs?

To start taking advantage of real-time data-rich payments, speak with your NPP participating financial institution to consider a migration plan that takes into account your immediate needs and allows you to take advantage of the full benefit of the NPP over time.



Contact your financial institution for more information to realise the benefits of real time payments and the New Payments Platform, or email NPP Australia at [info@nppa.com.au](mailto:info@nppa.com.au).